

Message Text

LIMITED OFFICIAL USE

PAGE 01 ISLAMA 05174 300853Z

11

ACTION NEA-16

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 SWF-02 TAR-02 PA-04

PRS-01 USIA-15 DRC-01 AGR-20 /189 W

----- 082951

P 300805Z MAY 74

FM AMSNBASSY ISLAMABAD

TO SECSTATE WASHDC PRIORITY 4966

INFO AMCONSUL KARACHI PRIORITY

LIMITED OFFICIAL USE ISLAMABAD 5174

E.O. 11652: N/A

TAGS: BPRO, ENRG, PK

SUBJECT: TEXAS GULF OIL AND GAS CONCESSION

REF: A) STATE 111374

B) KARACHI 1200

C) ISLAMABAD 4820

1. AS INDICATED REF B, TEXAS GULF INSISTENCE ON INCLUDING IN CONCESSION AGREEMENT RIGHT TO BRING ITS SHARE OF NATURAL GAS DISCOVERIES TO EXPORT IN LIQUIFIED STATE HAS RAISED FOR GOP SERIOUS QUESTIOCN RELATING TO USE OF ITS NATURAL RESOURCES. GOP ENERGY PLANS INDICATE THAT MAJOR EXPANSION IN UTILIZATION OF NATURAL GAS RESOURCES IS ENVISAGED. SINCE PAKISTAN HAS RELATIVELY LIMITED PROVEN RESERVES, GOP IS NATURALLY CONCERNED THAT NEW DISCOVERIES OF GAS BE AVAILABLE TO MEET DOMESTIC NEEDS. PAK ATOMIC ENERGY COMMISSION CHAIRMAN RECENTLY TOLD EMBASSY THAT UNDER TERMS OF GOP ENERGY POLICY NOW BEING FORMULATED NATURAL GAS SUPPLIES ARE IN-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISLAMA 05174 300853Z

TENDED TO BE CONSERVED FOR DOMESTIC MANUFACTURE OF FERTI-

LIZER (REF C). ONE NEW FERTILIZER PLANT IS UNDER CONSTRUCTION AND THREE MORE ARE UNDER CONSIDERATION, ALL OF WHICH WILL UTILIZE GAS. IN ADDITION DOCUMENT ON PAK DEBT PROBLEM PREPARED FOR RECENT CONSORTIUM MEETING STATES THAT IF ONE WITH POLICY OF ENCOURAGING IMPORT SUBSTITUTION IN ENERGY FIELD GOP PLANS SUBSTITUTE LPG FOR KEROSENE, THE MAJOR HOUSEHOLD FUEL, WHICH IS NOW IMPORTED. FURTHERMORE GOP IS IN PROCESS OF GREATLY EXPANDING DOMESTIC GAS PIPELINE DISTRIBUTION SYSTEM BECAUSE OF SHORTAGE OF GAS ENERGY SUPPLIES TO MAJOR INDUSTRIAL AREAS. WE BELIEVE THEREFORE THAT GOP CONCERN ABOUT UTILIZATION OF NEW GAS DISCOVERIES TO MEET INTERNAL NEEDS IS LEGITIMATE ONE.

2. IN VIEW SUBSTANTIVE NATURE OF GOP CONCERN WE CONCUR WITH DEPARTMENT'S VIEW REF A THAT MOULTON'S APPROACH DURING HIS JUNE VISIT SHOULD BE, AT LEAST INITIALLY, AT MINISTERIAL LEVEL. WE CONSIDER THAT APPEAL TO PRIME AT THIS POINT WOULD BE PREMATURE. FOR REASONS OF PROTOCOL MOULTON SHOULD IN FIRST INSTANCE ATTEMPT MEETING WITH LABOR AND WORKS MINISTER MOHAMMAD HANIF, WHO SINCE RECENT DEPARTURE OF SHERPAO FROM CENTRAL CABINET, ALSO HOLDS PORTFOLIO OF MINISTRY OF FUEL, POWER, AND NATURAL RESOURCES. HOWEVER SINCE HANIF DOES NOT SEEM TO BE PLAYING IMPORTANT ROLE IN DETERMINING GOP ENERGY POLICIES, WE THINK MOULTON SHOULD ALSO TRY TO SEE MINISTER OF PRODUCTION J.A. RAHIM AND/OR FINMIN MUBASHIR HASAN. WE ARE NOT SANGUINE ABOUT LIKELIHOOD THAT MOULTON WILL BE ABLE TO WIN OVER THESE MINISTERS, PARTICULARLY LATTER TWO, BUT BELIEVE THE EFFORT SHOULD

BE MADE.

3. PLEASE INFORM MOULTON EMBASSY WILL BE HAPPY PROVIDE ANY APPROPRIATE ASSISTANCE DURING HIS UPCOMING VISIT.
LUPPI

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, GAS PRODUCTION, GAS RESERVES, PETROLEUM CONCESSIONS, TRADE VISITS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ISLAMA05174
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740135-1066
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974058/aaaaagou.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 111374
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 22 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 AUG 2002 by WorrelSW>; APPROVED <19 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TEXAS GULF OIL AND GAS CONCESSION
TAGS: BPRO, ENRG, PK, US, TEXAS GULF, (MOLTON, FRANK)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005